

In the form  
transmitted to the  
Attorney General  
August 31, 1960

THE WHITE HOUSE

WASHINGTON

~~File 64-84311~~

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES:

I have today signed an Executive order which is designed to carry out the provisions of the Mutual Security Act of 1954, as amended, and to provide for the administration of United States activities in foreign countries. I wish to direct particular attention to Part II of the order. The coordination and supervision of these activities is a most vital aspect of the conduct of our foreign affairs.

It is my desire that all appropriate steps be taken to assure that the Chief of the United States Diplomatic Mission is effective in discharging his role as the representative of the President. Therefore, I am instructing that, to the extent permitted by law and within the framework of established policies and programs of the United States, the Chief of Mission shall have full power of coordination and supervision of all United States activities in the country to which he is accredited. It is expected that particular emphasis will be given to the following in the exercise of this authority: (1) the Chief of Mission will take affirmative responsibility for the development, coordination, and administration of diplomatic, informational, educational, and trade activities and programs; economic, technical and financial assistance; military assistance; and the disposal of surplus agricultural commodities abroad, (2) the Chief of Mission will assure compliance with standards established by higher authority, and will recommend appropriate changes in such standards and suggest desirable new standards, governing the personal conduct and the level of services and privileges accorded all United States civilian and military personnel stationed in the foreign country and report to the President upon adherence to such standards, and (3) the Chief of Mission will establish procedures so that he is kept informed of United States activities in the country. He will report promptly to the President as to any matter which he considers to need correction and with respect to which he is not empowered to effect correction.

In order that there be full understanding of the above, it is my desire that the Chief of Mission be made fully aware of his responsibilities and authority with respect to United States activities, in the country to which he is assigned, under today's order and this memorandum. Not only should instructions be issued to the

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United States Missions; provision should also be made for complete instruction in these matters before a new Chief of Mission assumes his duties at his post. It is the responsibility of each agency concerned to participate in the indoctrination of each Chief of Mission and take steps within the agency to instruct its personnel as to the authority of the Chief of Mission and as to the necessity of keeping him fully informed concerning current and prospective program and administrative activities.

Steps should also be taken to provide the Chief of Mission with the necessary staff assistance so he can fully carry out the assigned tasks. The Director of the Bureau of the Budget is requested (1) to take the lead, in consultation with the Department of State and other interested agencies, in developing the most appropriate method of providing the required staff facilities at the country level, and of establishing such arrangements in Washington, as may be necessary to enable each Chief of Mission to carry out effectively his responsibilities as the representative of the President, and (2) to present to the President appropriate recommendations with respect to such facilities and arrangements.

The following prior Presidential documents (related to the subject of this memorandum or of today's Executive order), to the extent not previously rendered obsolete or otherwise inapplicable, are hereby superseded:

1. The June 1, 1953, memorandum regarding the reorganization of the Executive Branch for the conduct of foreign affairs.
2. The memorandum of three heads of departments and the Director for Mutual Security concerning the reorganization of the Special Representative in Europe, which was approved June 16, 1953.
3. The November 6, 1954, letter concerning Executive Order No. 10575, etc.
4. The April 15, 1955, letter to the Secretary of State concerning the establishment of the International Cooperation Administration, etc.
5. The July 24, 1956, memorandum concerning administration of overseas functions.

6. The November 19, 1959, memorandum concerning reports required by sections 111(a) and 111(b) of the Mutual Security Appropriation Act, 1960.

This memorandum shall be published in the Federal Register.

In the form transmitted  
to the Attorney General  
August 31, 1960

EXECUTIVE ORDER

ER 60-8431/R

ADMINISTRATION OF MUTUAL SECURITY  
AND RELATED FUNCTIONS

By virtue of the authority vested in me by the Mutual Security Act of 1954, 68 Stat. 832, as amended (22 U.S.C. 1750 et seq.), by section 301 of title 3 of the United States Code, and as President of the United States and Commander-in-Chief of the armed forces of the United States, it is hereby ordered as follows:

PART I. ASSIGNMENT OF FUNCTIONS AND FUNDS

Section 101. Department of State. (a) Exclusive of the functions otherwise delegated, or excluded from delegation, by this order, and subject to the provisions of this order, there are hereby delegated to the Secretary of State all functions conferred upon the President (1) by the Mutual Security Act of 1954, hereinafter referred to as "the Act", (2) by the Mutual Defense Assistance Control Act of 1951, 65 Stat. 644 (22 U.S.C. 1611 et seq.), or (3) by those provisions of Acts appropriating funds under the Act which are wholly or primarily relevant to the Act.

(b) In determining upon the furnishing of assistance on terms of repayment pursuant to the Act, and upon the amounts and terms of such assistance, the Secretary of State shall consult with the National Advisory Council on International Monetary and Financial Problems in respect of policies relating to such assistance and terms. The Secretary of State shall also consult the Council with respect to policies concerning the utilization of funds in the Special Account provided for in section 142(b) of the Act and concerning such other matters as are within the cognizance of the Council pursuant to section 4 of the Bretton Woods Agreements Act (22 U.S.C. 286 et seq.).

(c) In carrying out the functions conferred upon the President by section 414 of the Act, the Secretary of State shall consult with appropriate agencies. Designations, including changes in designations, by the Secretary of State of articles which shall be considered as arms, ammunition, and implements of war, including technical data relating thereto, under that section shall require the concurrence of the Secretary of Defense.

(d) The maintenance of special missions or staffs abroad, the fixing of the ranks of the chiefs thereof after the chiefs of the United States diplomatic missions, and the authorization of the same compensation and allowances as the chief of mission, class 3 and class 4, within the meaning of the Foreign Service Act of 1946, 60 Stat. 999 (22 U.S.C. 801 et seq.), all under section 526 of the Act, shall require the approval of the Secretary of State.

(e) All functions under the Act, the Mutual Defense Assistance Control Act of 1951, and the United States Information and Educational Exchange Act of 1948, 62 Stat. 6 (22 U.S.C. 1431 et seq.), and all functions under those provisions of Acts appropriating funds under the Act which are wholly or primarily relevant to the Act, however vested, delegated, or assigned, shall be subject to the responsibilities of the Secretary of State with respect to the foreign policy of the United States.

Section 102. Department of Defense. (a) Subject to the provisions of this order, there are hereby delegated to the Secretary of Defense:

(1) The functions conferred upon the President by chapter I of the Act, exclusive of (i) those so conferred by section 105(b)(3) of the Act, (ii) so much of those so conferred by the third sentence of section 105(b)(4) of the Act as consists of determining that internal security requirements may be the basis for programs of military assistance in the form of services, (iii) so much of those so conferred by the first sentence of section 106(b) of the Act as consists of determining that a nation or international organization may make available the fair value of equipment, materials, or services, sold thereto or rendered therefor, at a time or times other than in advance of delivery of the equipment, materials, or services, and (iv) those reserved to the President by section 110 of this order.

(2) The functions conferred upon the President by sections 142(a)(7) and 511(c) of the Act.

(3) To the extent that they relate to other functions under the Act administered by the Department of Defense, the functions conferred upon the President by sections 142(a)(10), 505(a), 511(b), 527(a), 528, 529(a), and 550 of the Act.

(4) The functions conferred upon the President by the fourth and fifth provisions of section 108 of the Mutual Security Appropriation Act, 1956, 69 Stat. 438.

(b) In carrying out the functions under section 550 of the Act delegated by the foregoing provisions of this section, the Secretary of Defense shall consult with the Secretary of State.

Section 103. Department of the Treasury. There is hereby delegated to the Secretary of the Treasury the function conferred upon the President by the fifth sentence of section 505(b) of the Act.

Section 104. Department of Commerce. (a) There is hereby delegated to the Secretary of Commerce so much of the functions conferred upon the President by section 413(b)(1) of the Act as consists of drawing the attention of private enterprise to opportunities for investment and development in other free nations.

(b) The Secretary of Commerce is hereby designated as the officer through whom shall be carried out the functions provided for in the first sentence of section 416 of the Act.

Section 105. Development Loan Fund. There are hereby delegated to the Managing Director of the Development Loan Fund, acting subject to the supervision and direction of the board of directors of the Development Loan Fund:

(1) So much of the functions conferred upon the President by section 504(a) of the Act as consists of assisting American small business to participate equitably in the furnishing of commodities and services financed with funds authorized under title II of chapter II of the Act.

(2) So much of the functions conferred upon the President by section 527(a) of the Act as consists of determining such personnel as need be employed by the Development Loan Fund to carry out the provisions and purposes of the Act.

Section 106. Cost-sharing arrangements. The functions conferred upon the President by section 527(e) of the Act are hereby delegated to the several heads of agencies in respect of any functions under the Act performed by officers and employees of those agencies, respectively.

Section 107. Studies. (a) The Departments of State and Commerce and such other agencies as they deem appropriate shall conduct the annual studies under section 413(c) of the Act.

(b) The Department of State and such other agencies as it deems appropriate shall conduct the study under section 413(d) of the Act.

**Section 108. United States Information Agency.** The United States Information Agency shall perform the functions provided for by law with respect to publicizing abroad the activities carried out under the Act.

**Section 109. Allocation, advance, and transfer of funds.**

(a) Funds heretofore or hereafter appropriated or otherwise made available to the President for carrying out the Act shall be deemed to be allocated or advanced without any further action of the President, as follows:

(1) There are allocated to the Secretary of State all funds for carrying out the Act except those made available exclusively for carrying out chapter I and title II of chapter II of the Act.

(2) There are allocated to the Secretary of Defense funds made available exclusively for carrying out chapter I of the Act; but, for the purposes of the second sentence of section 108 of the Mutual Security Appropriation Act, 1956, such funds shall be available only when and in such amounts as they have been apportioned, for use, by the Bureau of the Budget.

(3) Funds for carrying out title II of chapter II of the Act shall be advanced to the Development Loan Fund.

(b) The Secretary of State, the Secretary of Defense, and the Development Loan Fund may allocate or transfer, as appropriate, any funds received under paragraphs (1), (2), and (3), respectively, of subsection (a) of this section, to any agency, or part thereof, for obligation or expenditure thereby consistent with applicable law, subject, however, to the provisions of section 110(2) of this order.

(c) The utilization of funds without regard to the existing laws governing the obligation and expenditure of Government funds as authorized by section 411(d) of the Act shall be limited as far as practicable and shall in any event be confined to instances in which such utilization (1) is deemed to further the more economical, efficient, or expeditious carrying out of functions under the Act, or (2) is deemed to obviate or mitigate hardship occurring with respect to personnel administering functions under the Act in connection with the administration of these functions or with respect to the families of personnel by reason of the duties of the respective heads of families under the Act, or (3) is for the purpose of settling any claim arising outside the United States for money damages against the United States for injury or loss of property or personal injury or death caused by the negligent or wrongful act

or omission of any employee of the Government administering functions under the Act while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred.

Section 110. Reservation of Functions to the President.  
There are hereby excluded from the functions delegated by the foregoing provisions of this order:

(1) The functions conferred upon the President by the Act with respect to the appointment of officers required to be appointed by and with the advice and consent of the Senate.

(2) The functions conferred upon the President with respect to findings, determinations, certifications, agreements, directives, or transfers of funds as the case may be, by sections 104(b), 105 (except so much of those conferred by the third sentence of section 105(b)(4) as relates to services), 131(a) (proviso), 141, 404, 411(c), 451(a), 501, 521, 522(b), 523(d), and 552 of the Act, and by sections 103(b), 104, 203, and 301 of the Mutual Defense Assistance Control Act of 1951.

(3) The functions conferred upon the President by sections 101, 107(a)(2), 413(c), 413(d), 502(c), 503(a), 503(b), 523(c), 525, 533, 534(a), and 545(d) of the Act and by the first sentence of section 144 of the Act and by the second sentence of section 416 of the Act, and, subject to Part II of this order, the functions so conferred by section 523(b) of the Act.

(4) So much of the functions conferred upon the President by section 403 of the Act as consists of determining any provision of law to be disregarded to achieve the purposes of that section.

(5) The functions conferred upon the President by sections 111(d)(2) and 112 (second sentence) of the Mutual Security Appropriation Act, 1960, 73 Stat. 720.

## PART II. COORDINATION AND SUPERVISION OF FUNCTIONS ABROAD

Section 201. Functions of Chiefs of United States Diplomatic Missions. The several Chiefs of the United States Diplomatic Missions in foreign countries, as the representatives of the President and acting on his behalf, shall exercise, to the extent permitted by law and in accordance with such instructions as the President may from time to time promulgate, full power of coordination and supervision over the carrying out by agencies of their functions in the respective countries.



### PART III. GENERAL PROVISIONS

**Section 301. Continuation of Department of State arrangements.**  
There shall continue to be in the Department of State, subject to the direction and control of the Secretary of State, the following:

(1) The International Cooperation Administration (including the offices transferred to the Department by the provisions of section 102(a) of Executive Order No. 10610 of May 9, 1955) as an agency in the Department of State.

(2) All now-existing functions which (i) immediately prior to the effective date of Executive Order No. 10610 of May 9, 1955, were conferred by law upon the Foreign Operations Administration or the Director of the Foreign Operations Administration, or on agencies or officials of the Foreign Operations Administration, and (ii) were by that order transferred to the Secretary of State or the Department of State.

(3) The Office of Small Business provided for in section 504(b) of the Act and the functions vested in it by law, which functions shall remain therewith.

**Section 302. Personnel.** (a) The performance of the functions conferred upon the President by section 527(c) of the Act (and by this order delegated to the Secretary of State) shall be governed by the following:

(1) The authority which the Secretary of State is authorized to exercise, with respect to personnel appointed, employed, or assigned to perform functions under the Act, shall include (i) the authority available to the Secretary under the Foreign Service Act of 1946 (including section 571 of that Act) relating to Foreign Service Reserve officers, Foreign Service Staff officers and employees, and alien clerks and employees, (ii) the authority available to the Secretary under any other provision of law pertaining specifically, or generally applicable, to Foreign Service Reserve officers, Foreign Service Staff officers and employees, and alien clerks and employees, (iii) the authority available to the Secretary under sections 1021 through 1071 of the Foreign Service Act of 1946, (iv) with respect to personnel appointed or assigned pursuant to the provisions of section 527(c)(2) of the Act, the authority of the Board of Foreign Service provided for by the Foreign Service Act of 1946, and (v) the authority to prescribe or issue (in pursuance of the Foreign Service Act of 1946, the Mutual Security Act of 1954, or other applicable law), such regulations, orders, and instructions, not inconsistent

with law, as may be incidental to or necessary for or desirable in connection with the carrying out of the provisions of section 527(c) of the Act or the provisions of this order.

(2) The prohibitions and requirements contained in sections 1001 through 1005 and section 1011 of the Foreign Service Act of 1946 shall be applicable to all personnel appointed or assigned under the provisions of that Act as authorized herein.

(3) Persons appointed, employed, or assigned after May 19, 1959, under section 527(c) of the Act for the purpose of performing functions under the Act outside the United States shall not, unless otherwise agreed by the agency in which such benefits may be exercised, be entitled to the benefits provided by section 528 of the Foreign Service Act of 1946 in cases in which their service under the appointment, employment, or assignment exceeds thirty months.

(b) In carrying out the provisions of section 527(c)(1) of the Act, the Secretary of State may authorize any agency to perform any functions specified therein to the extent that they relate to other functions under the Act administered by such agency.

Section 303. Definitions. As used in this order, the word "function" or "functions" embraces duties, powers, responsibilities, authority, and discretion, and the word "agency" or "agencies" embraces any department, agency, board, wholly or partly owned corporation, or instrumentality, commission, or establishment of the United States Government.

Section 304. References to Acts and orders. (a) Except in respect of any reference which has been or shall have been revoked, superseded, or otherwise made inapplicable, and except as may for any other reason be inappropriate:

(1) References in any Part of this order or in any other Executive order to the Mutual Security Act of 1954 or to this order or to any provision of either thereof, and references in this order to the Act or to any other Act or to any provision of either thereof, shall be deemed (any citations to the Statutes at Large or the United States Code notwithstanding) to include references thereto, respectively, as amended from time to time.

(2) References in any prior Executive order not superseded under section 305(a) of this order to any provisions of any Executive order so superseded (including the reference in section 3(c) of Executive Order No. 10560 of September 9, 1954 (19 F.R. 5927)), as affected by the provisions of section 303(b) of Executive

Order No. 10575 of November 6, 1954, to Part II of the said Executive Order No. 10575) shall hereafter be deemed to be references to the corresponding provisions, if any, of this order.

(b) Any reference in this order to provisions of any appropriation Act shall be deemed to include a reference to any hereafter enacted provisions of law which are the same or substantially the same as the aforesaid appropriation Act provisions.

Section 305. Superseded orders. (a) The following orders, and parts of order, are hereby superseded:

- (1) Executive Order No. 10575 of November 6, 1954  
(19 F.R. 7249)
- (2) Executive Order No. 10610 of May 9, 1955  
(20 F.R. 3179)
- (3) Executive Order No. 10625 of August 2, 1955  
(20 F.R. 5571)
- (4) Executive Order No. 10663 of March 24, 1956  
(21 F.R. 1845)
- (5) Executive Order No. 10742 of November 29, 1957  
(22 F.R. 9689)
- (6) Sections 1 and 2 of Executive Order No. 10822 of May 20, 1959 (24 F.R. 4259)

(b) The foregoing provisions of this section shall not derogate from the provisions of section 301 of this order.

Section 306. Saving provisions. Except to the extent inconsistent with this order, all determinations, authorizations, regulations, rulings, certificates, orders, directives, contracts, agreements, and other actions issued, undertaken, or entered into with respect to any function affected by this order and not revoked, superseded, or otherwise made inapplicable before the effective date of this order, shall continue in full force and effect until amended, modified, or terminated by appropriate authority.

THE WHITE HOUSE

, 1960